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Biotech firm ViewRay nudged by investors to move to Cleveland

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Plain Dealer Reporter

Heavy-hitting investors on the East and West coasts offered ViewRay a \$25 million investment to speed development of its medical imaging and treatment device.

But there was a catch.

To get the money to continue its product development, the company had to move from Gainesville, Fla., to a center of bioscience innovation. The investors suggested a handful of places.

Would it be Boston? San Francisco? North Carolina's Research Triangle? Atlanta?

Nope.

The company picked Greater Cleveland.

It will move its headquarters in the next few months and develop its image-guided radiation treatment system here.

ViewRay also has committed to hire 25 professionals in its first year of operation here and 65 more in the following two years, creating a total of 90 jobs in three years.

"This one's a real winner," said Tom Waltermire, chief executive of TeamNEO, a marketing and business-attraction organization that helped woo ViewRay.

Another prod in Northeast Ohio's direction was ViewRay's investors - OrbiMed Advisors and Aisling Capital in New York, Fidelity Biosciences in Boston and Kearny Venture Partners in San Francisco.

That they put Cleveland on their list of the top bioscience regions is "a very tangible indication of the regard with which our region is held in the minds of venture investors," said Baiju Shah, president and chief executive of BioEnterprise, the health care company developer in Northeast Ohio.

It's also evidence of what can happen when the region and state work together to attract companies, Shah said.

"The team really did pull together to help develop the case that this region really is the right place for this company to be successful," said Shah, who gets the credit for starting the conversation.

ViewRay is commercializing a patent-pending technology that uses magnetic resonance images to guide gamma rays to precisely target cancerous tumors.

The technology, called Renaissance System 1000, was invented by James Dempsey, an associate professor in the Department of Radiation Oncology at the University of Florida. Dempsey, the company's chief science officer, will move to Ohio, along with many of ViewRay's 10 employees, said William Wells,

the company's chief executive.

A collaboration of government and economic development organizations throughout the state helped sell ViewRay on the move.

The Ohio Tax Credit Authority on Monday approved job creation tax credits for ViewRay estimated at \$537,431 over 10 years to help the company move here and equip its facility, Lt. Gov. Lee Fisher said in a written statement.

Cuyahoga County will offer financial incentives if the company relocates within the county, Waltermire said. ViewRay is considering leasing space in Oakwood, Wells said.

BioOhio in Columbus, the state's bioscience developer, and TeamNEO and BioEnterprise in Cleveland made the local sales pitch: Northeast Ohio is home to three of the world's top makers of diagnostic imaging equipment; the region's medical institutions are willing to work with innovative technology startups; and the region offers deep technical and engineering talent in medical imaging.

In the end, it was the team effort that swayed ViewRay. "As a team, they were comprehensively better than anyone that we talked to in the other states," Wells said.

"They understood what it was we wanted to do. They were organized, thorough and incredibly supportive across the board."

The choice was gratifying to BioEnterprise's Shah. Clevelanders tend to be anxious about venture capitalists stealing promising companies from Northeast Ohio, Shah said.

"This is the first time that a significant financing has occurred where the venture capitalists said we'll give you money, but you'll have to move to Cleveland."

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